

Value Comparison

Cash Donation vs Donation of Securities

- using Federal and BC 2014 Tax and Credit Rates
- Calculation at the highest tax bracket

Input:

Fair Value of Security	10,000.00
Adjusted cost base of Security	1,000.00

Tax payable if security is sold and cash net of tax is donated:

Proceeds of Disposition	10,000.00
Adjusted cost base	1,000.00

Capital Gain	9,000.00
Capital Gain inclusion rate	x50%

Taxable capital gain	4,500.00
BC combined top tax rate	45.8%

Tax on capital gain	2,061.00
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After Tax Cash Available to donate after tax	7,939.00
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Donation Receipt	7,939.00
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Tax Credit	%	\$
Federal		
- on first \$200	15.00%	30.00
- remainder	29.00%	2,244.31
Provincial		
- on first \$200	5.06%	10.12
- remainder	14.70%	1,137.63
Total tax credit		3,422.06

Charity gets donation value of	7,939.00
Donor gets tax savings of	3,422.06

Total value by donating cash	11,361.06
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Tax result if security donated to charity:

Taxable capital gain	-	- zero % inclusion rate; no ta
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Donation Receipt	10,000.00
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	Tax Credit	%	\$
Federal			
- on first \$200		15.00%	30.00
- remainder		29.00%	2,842.00
Provincial			
- on first \$200		5.06%	10.12
- remainder		14.70%	1,440.60
Total tax credit			4,322.72

Charity gets donation value of	10,000.00
Donor gets tax savings of	4,322.72

Total value by donating securities	14,322.72
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Increase in value by donating securities	\$ 2,961.66
	26%